

British Empire League in Canada



ADDRESS

Delivered before the Toronto Branch British Empire League

BY

THE HON. G. W. ROSS, LL.D., M.P.P.

Minister of Education for the Province of Ontario (Canada),

ON

PREFERENTIAL TRADE WITH GREAT BRITAIN
AND RECIPROCITY WITH THE
UNITED STATES

IN

ST. GEORGE'S HALL, TORONTO

DECEMBER 4TH, 1897.

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The year 1897 has been one of great satisfaction to the British Empire League. Never before in the history of the empire has there been such a commingling of colonial representatives, and never before were heard, wherever the British flag floats, such hearty expressions of good-will from subject and alien alike towards the British Empire and the Sovereign that has ruled it so long and so well. The "splendid isolation" which for many years lent a somewhat pathetic interest to the British Isles in their struggle for moral and commercial supremacy has been supplanted by a "splendid Imperialism," whose light and glory have filled the world with the fame of Britain's achievements in peace, and with a wholesome dread of her power should she be called upon to defend herself in war.

To the British colonies, scattered over the globe, these tokens of Imperial unity have been accepted with the greatest cordiality. If the idea prevailed anywhere of colonial isolation, every such idea was fused and absorbed by the intensity of the larger one of unity, and the colonist who perhaps dreamed that on this side of the Atlantic or under the southern cross there might be established a new nation, wearing the livery of a republic, now feels that to recognize the Sovereign of the United Kingdom as his Sovereign is the highest honor to which he can aspire, and to wear the badge of British citizenship is the highest distinction to which he can attain. (Cheers.)

To the members of the British Empire League the uppermost question now is: How can the sentimental union so strongly accentuated during the present year be further strengthened in a practical and material way? Mr. Chamberlain, the Colonial Secretary, in a remarkable speech recently delivered at Glasgow, stated that "the basis of all patriotism is preference." Whether this be true or not in an abstract sense, in this age of practical politics we might fairly assume that a relationship strengthened by preference as well as by sentiment is stronger and more likely to continue than a relationship resting on sentiment alone. Even although such preference conveys but trifling advantages, the good-will which it represents gives it an incalculable value in cementing the bonds of friendship between peoples and nations. No one expected that the preference given to British goods in the Canadian market by the tariff of last session would have called forth such generous expressions of good feeling from the press and public men of the mother country. It was not the commercial advantage that moved the British heart so much as the

evidence of Canadian loyalty to Britain which it represented. (Cheers.) Having taken this step it is but natural that we should consider what we have gained by it, and what are its possible future advantages.

BRITISH PREFERENCE AND ITS ADVANTAGES.

In answer to this inquiry I may state that the following advantages are evident:—

(1) We have quieted for the time being, and I hope forever, the restlessness which prevailed in many quarters as to the future of Canada. Without questioning the value of a republican form of government theoretically, it has been demonstrated beyond a peradventure that under a monarchy it is possible to obtain as large a measure of freedom, both civil and religious, as under a republic. It has also been demonstrated that society is exposed to fewer dangers, commerce to fewer disturbances and capital to fewer risks by such a happy combination of a monarchy and democracy as prevails under the British system, than under the less restrained and more demagogic influence of a pure democracy. (Cheers.) The survey which Canadians were able to take of the British Empire and of the liberal institutions which the people were capable of establishing within its borders have convinced every colonist (and I include in these our own Canadian people) that the British constitution is liberal enough and elastic enough to meet all the necessities of citizenship of every rank and class, and strong enough to guard every right, moral and political, which arises from the ownership of property, the exercise of religious convictions or the requirements of social organization. I think I may state it as a fact that for these reasons Canadians as a whole are better satisfied with the form of government they now possess than they ever were before, and I may add, I see no reason why they should not be. (Applause).

(2) We have developed a greater feeling of confidence in ourselves, partly from the prominence given to Canada in the councils of the empire and partly from the respect paid to our wishes in Imperial matters. I have no sympathy with the pessimistic disposition of some Canadians to bewail our paltry population, our feebleness in men and money, and our tardy growth as compared with our neighbors to the south. A multitude of circumstances, which I cannot wait to discuss now, some of them political, some climatic and some geographical, have combined in producing a phenomenal growth of population and commerce in the United States. By some this growth is regarded as a menace to Canada, but even if so regarded, for which I see no reason, we can truly say that Canadians have now a more buoyant feeling as to the future, and that they are prepared to gird up their loins with a confidence never before so deeply felt in the inherent stability of their institutions and in the commercial and political possibilities of their own country. (Cheers).

For nearly one hundred years we have been disturbed by the evil genius of racial and religious jealousy—a jealousy which at various periods in our history threatened us with the direst consequences. When Canada was divided into two Provinces in 1791 it was supposed by British statesmen that the separation of the two races would promote harmony and peace in the Canadian colonies. The futility of this course was shown in the rebellion of 1837, both in Upper and Lower Canada. In 1841 a similar object was attempted by the union of the two Canadas, the purpose being to train the two races to respect each other by placing them under the necessity of jointly governing the country. Still dissension and racial antagonisms prevailed to an alarming extent. Then

came the union of 1867, by which it was supposed that all animosity of race and religion would be absorbed by the larger idea of Canadian nationality. The debates of the House of Commons since Confederation show that even under this larger union the dregs of religious and racial hate still remained, and I am not optimist enough to believe that they will be entirely eliminated for some years to come. I think it is clear, however, that such influences are steadily losing force, and as the conviction grows that we are becoming a more homogeneous people, those whose ambition may prompt them to appeal to passion and to prejudice will in the course of time seek some more honorable way for attaining distinction. Our growing strength in this way becomes a guarantee of internal peace and harmony.

(3) We have paved the way, in my opinion, for the rapid development of Canadian commerce. For over half a century Canada has been equipping herself at great expense for commercial ascendancy. On the construction and maintenance of our canals we have expended \$81,000,000, partly to meet the necessities of our own trade and partly to command the trade of the Western States. Such an expenditure is in itself pretty conclusive evidence that Canadians are not wanting in enterprise.

In railways we have invested \$899,817,900, of which \$212,655,000 have been contributed by the Government of the Dominion, the Governments of the Provinces and local municipalities—another evidence of Canadian enterprise. Besides, large amounts of money have been spent for the improvement of harbors and for lighting our coasts, all of inestimable commercial value. Municipalities have generously subsidized local enterprises of various kinds, and all the Provinces have given liberally for technical and agricultural education. Lands have been offered to the settler, free of charge, that he might grow food for himself and a surplus for the markets of the world. Our prairies, our mines and our forests have been abundantly advertised, and we are in the position of a merchant with a heavy stock of goods on his hands in every line, looking out for customers with whom he can trade. (Applause).

OUR TWO GREAT MARKETS.

For many years our attention has been divided between the markets of two countries—the United States and Great Britain. To say the least of it, the markets of the United States have been fluctuating and unsatisfactory. Every commercial crisis in the American Republic reacted with tremendous force upon the trade of Canada, and, still worse, the periodical changes of American tariffs rendered the investment of capital and the establishment of commercial intercourse very uncertain. During this jubilee year we have, however, turned our attention more earnestly than ever before towards the markets of Great Britain. To my mind this circumstance will hereafter be just as notable in the history of Canada commercially as the evolution of a more generous loyalty to Britain will be politically. (Cheers).

Let me give a few reasons: Great Britain imported in 1896 for home consumption \$790,000,000 worth of food products, all of which, with the exception of tea, sugar and fruit, and some minor articles amounting to about \$100,000,000, can be produced in Canada. For instance, in 1896 she imported 130,000,000 bushels of wheat, of which Canada supplied only 10,000,000; she imported 12,000,000 barrels of flour, of which Canada supplied only 90,000 barrels; she imported 5,500,000 bushels of peas, of which Canada supplied only 1,400,000 bushels; she imported 58,000,000 bushels of oats, of which Canada supplied only 500,000 bushels; she imported 52,500,000 bushels of barley, of which

Canada supplied only 47,000; she imported 510,000,000 pounds of bacon, of which Canada supplied only 47,000,000 pounds; she imported 163,500,000 pounds of hams, of which Canada supplied only 6,500,000 pounds; she imported 324,000,000 pounds of mutton, of which Canada supplied only 4,000 pounds; she imported 6,000,000 bushels of apples, of which Canada supplied only 1,500,000 bushels; she imported 251,000,000 pounds of cheese, of which Canada supplied only 164,000,000 pounds; she imported 340,000,000 pounds of butter, of which Canada supplied only 5,000,000 pounds. The whole export of food-stuffs of every description from Canada to Great Britain last year amounted to about \$46,000,000, or less than 6 per cent. of the food products imported by Great Britain for home consumption.

THE QUESTION OF PREFERENCE.

And this brings me to consider what should be done to obtain a larger recognition in the British market so far as we are concerned, and also what might be done by Great Britain to give to Canada and to the other colonies any preference over foreign nations consistent with the interests of the empire.

Turning to our own side of the question it is evident that the establishment of a fast ocean service, facilities for cold storage, and more rapid transportation by railways are steps in the right direction, and steps that have not been taken any too soon. Following in the natural order, and for similar reasons, must come the enlargement of our canals, and the improvement of our harbors: and next must come greater attention on the part of our merchants to the shipment of such goods only as are of the best quality and to their placement on the markets of Great Britain in first-class condition. Any prejudice that may exist with regard to the produce of Canada must be overcome, patiently and surely, by submitting to the consumers in Great Britain Canadian butter, cheese, fruit, and every other article of home consumption equal in quality to similar articles imported from any other country. Granted these three conditions, and I am satisfied the markets of Great Britain will respond very readily to Canadian enterprise. (Applause).

While this is one way, and I believe a sure way, to promote the development of Canadian commerce, I see no reason why Canadians should hesitate to look to Great Britain for some encouragement and response on her part. True, she admits our products free of duty, but then she confers a similar favor upon foreign nations. Have we not a right to expect that her own subjects, though living abroad, will be treated more favorably than the Magyar or the Russian or the citizen of the United States? The personal and political privileges of her subjects, even under a foreign flag, are protected against encroachment. Why should not the commercial interests of her own subjects, under the same flag, though separated by a few leagues of water, be equally subjects of her protection? (Applause).

REASONS FOR A PREFERENCE.

In order to make my position clear, it might be worth while to give in detail a few of the considerations which might very properly influence Great Britain to give the products of Canada and of her other colonies a preference over the products of foreign nations. (1) The commercial advantages to the colonies under such a preference would greatly strengthen and increase their attachment to the empire. Commercial interchange means much more than simply buying and selling; it carries with it social and business relations and leads to a better knowledge of the political institutions of the countries con-

cerned in such commerce. Nothing would conduce more to a permanent union of her colonies than a better understanding in Great Britain of Canadian sentiment and feeling, and no better way could be found of increasing that acquaintance than by increasing trade.

(2) The greatness of England depends upon the maintenance of her colonies. Every British statesman of any note, nowadays at least, admits that her position among the other nations of the world would be seriously affected by the loss of any one of her important colonies. In order to the maintenance of that pre-eminence, any measure not detrimental to her interests, apart from the colonies, is worthy of her most serious consideration. The reign of the "Little Englander" at home as well as abroad has happily, I believe, come to an end. (Loud applause).

(3) Her naval supremacy depends to a certain extent on the numerous coaling stations and harbors of refuge which she possesses under her own flag the world over. Anyone who studies the great highways of commerce with a map of the world before him can see how the loss of Gibraltar or Malta or Hong Kong or Halifax would seriously cripple England in maintaining her naval supremacy.

(4) Such a preference for the colonies would greatly stimulate the interest of the residents of the British Islands in colonial affairs and would lead, I am confident, to a more speedy settlement of the wild lands of the various colonies and the development of their resources. From this there would be many advantages: (a) the congested settlements of the mother country would be relieved, and, to that extent, the burdens of maintaining a dependent population would be greatly diminished; (b) the increased population of the colonies would give a larger market to the products of the British manufacturers, and (c) the increased products of the colonies would add to the value of British commerce and increase the freights of British vessels.

(5) To be secure against danger in time of war, it is important to the empire that her food supply should be produced under her own flag. (Cheers.) The development of the colonies, and particularly the development of Canada, with our vast wheat areas in the North-west, would furnish a very considerable portion, if not all, of that food supply.

WILL IT BE GRANTED.

It may be said that under no circumstances can we look forward to such a change in the free trade policy of Great Britain as would warrant us in hoping that her laboring classes would submit to the taxation of their food in any sense or form for the benefit of the colonies. On that point I am not so sure. (Hear, hear.) The reasons I have already stated would go a considerable distance to satisfy the laboring classes of Great Britain that a trifling increase, putting it at the very worst, of the cost of their food supplies had some compensating advantages. I have misread the remarks of several leaders of public opinion if I am wrong in believing that the manufacturers of England are not very uneasy over the admission of the products of other countries into the British market, whilst their products are shut out of the markets of such countries by tariffs almost prohibitory. A Zollverein between the colonies and the empire, as was suggested by Mr. Chamberlain, Colonial Secretary, would, no doubt, mean for some years at least a tax on many articles now admitted to the British market free. In his speech before the third Congress of

the Chambers of Commerce on June 9, 1896, he said, speaking of a zollverein: "An essential condition of such a proposal would be that Britain shall consent to replace moderate duties upon certain articles which are of large production in the colonies. Now, if I have rightly understood it, these articles shall comprise corn, meat, wool and sugar, and perhaps other articles of enormous consumption in this country which are at present largely produced in the colonies." Further, after pointing out that such a zollverein existed in Germany and in the United States, he stated: "I say that such a proposal as a zollverein between Britain and her colonies might commend itself even to the orthodox free trader," and further on he says:

"I want to impress upon you my personal conviction that if a proposal of this kind came to us from the colonies, backed by any considerable support on their part, it would not be met with a blank refusal by the people of this country." (Applause).

The London Times, quoted by Sir Donald Smith in a speech delivered at the same congress, said: "It is getting to be understood that free trade is made for man, not man for free trade. * * * The British Empire is so large and so completely self-supporting that it could very well afford for the sake of a serious political gain to surround itself with a moderate fence." These two quotations are very suggestive.

Mr. Sidney Buxton, M.P., late Under Secretary of State for the Colonies, after referring to Mr. Chamberlain's speech, just quoted, and the possibilities of commercial union between the colonies, said: "Though on the whole I am a free trader, I for one do not say it might not be requisite to reimpose certain duties which in the past were taken off British importations." (Cheers.) A speech in a similar strain was made by Col. Howard Vincent, M.P., and by the President of the Congress, Sir Albert Rollit, M.P. One observation of the President is worthy of special notice. He said:

"I deliberately say that there may be circumstances in which an economic sacrifice may be more than justified for the greatness of the political, social and commercial ends which we have in view." (Cheers).

The Duke of Devonshire in his speech at Liverpool at the reception given to Sir Wilfrid Laurier spoke hopefully of a larger trade with the colonies on such a basis as would tend to the promotion of the unity of the empire. (Cheers.) Perhaps, however, the most significant remark bearing upon the possibility of a modification of the trade policy of England was made by the Right Hon. A. J. Balfour, leader of the Government in the House of Commons, at Norwich, a few weeks ago, in reply to Lord Rosebery's speech on the commercial federation of the empire. Lord Rosebery took strong ground against the commercial federation of the empire, because, in his opinion, such a federation, whilst permitting free trade within the empire, involved a tax upon foreign goods, and such a tax would be a menace to the peace of the empire. Mr. Balfour said: "If the commercial federation of the empire has a justification at all, that justification is to be found in the fact that it will draw closer together the various distant and far separated members of this great community. If it does that, I say it is no affair of any foreign nation what we do in the matter. They do not consult our convenience in the formation of their tariffs. I am not aware of any reason why we should consult their convenience in the formation of our tariffs." (Loud applause). One cannot help but appreciate the true British ring of these few sentences from the speech of the leader of the House of Commons.

REASON FOR CONFIDENCE.

But there is, perhaps, more significant evidence still in the denunciation of the Belgian and German treaties of the desire of Great Britain to improve and develop colonial trade, particularly with Canada. When it is remembered that her trade with Germany and Belgium amounted to \$600,000,000 and her trade with Canada to only about \$100,000,000, it will be seen how large a commercial risk she was prepared to take for the sake of strengthening her relations with this country. Neither the fear of possible irritation on the part of Germany or Belgium nor the diversion of her immense trade with the German Empire was allowed to stand in the way of treaties that existed for over 30 years, when it was pointed out to her that in the interest of Canada such a course was desirable. Having done so much for one colony, why should we doubt her disposition to give a reasonable preference to colonial goods for the benefit of over 11,000,000 of her subjects in all her colonies? The question I admit, is one which must be settled in Great Britain, and not in Canada. It may involve the reconsideration of trade theories which have become ingrained in the public opinion of her leading men. But commercial theories, like social customs, however universal, are not necessarily sanctified by usage. (Cheers.) Economic conditions change with the process of the suns. British statesmen are eminently practical, and the economic conditions which have led to free trade may, in the course of years, so change or become so subordinated to larger conditions of a national character as to warrant their revision. This change is, I believe, at this moment taking place at the great centres of British industry. Mr. J. S. Willison, editor of the *Globe*, in his excellent letters on English topics, recently published in his paper, has the following remark on the present condition of English opinion on the trade question: "Cool and dispassionate thinkers believe that down among the people opinion is slowly shaping for a contest between the advocates of free trade on the one hand and the advocates of a great alliance of free English-speaking democracies on the other hand, and that few have any adequate conception of the depth of feeling against the foreigner that is burning in the bosoms of great masses of Englishmen." (Cheers.)

If the question could only be made an Imperial issue and thus separated from all commercial complications the watchword would not be free trade or protection, but the unification and consolidation of the empire, and on this view of the question it is not hard to predict what the attitude of the British Empire League should be.

THE QUESTION OF RECIPROCITY.

Next in importance to preferential trade with Great Britain is the subject of a reciprocity treaty between Canada and the United States. In dealing with this question one is embarrassed by the twofold interest which seems to be involved in it—the interest of the mother country and the interest of Canada. In the mother country the opinion very generally prevails that the unfriendly commercial relations existing between Canada and the United States are a menace to the peace of the empire. It has been the ambition of English statesmen for the last fifty years to remove this supposed irritation by treaties and concessions, many of which were none too favorable to Canada. The first attempt of this kind was the Ashburton treaty of 1846, by which it is universally admitted Canada was greatly the loser territorially on her eastern as well as on her western frontier. The Washington treaty of 1871 was less disastrous, although it involved concessions in the inland waters and canals of

Canada for which no equivalent was granted in the inland waters of the United States. It is within the memory of most of us also how the damages to Canada by the Fenian invasion of 1866 were entirely overlooked by the Geneva award with respect to the Alabama claims. If past experience is any guide in dealing with the removal of this so-called irritation, there is but little hope for its permanent removal by any reciprocity treaty to which Canada could assent. (Loud applause).

But there is another side to the question. While Canada has already made many sacrifices, far too great in my opinion for any advantage that has been conferred upon her, it is well to point out that she is in no sense responsible for the irritation which is the alleged cause of our unhappy international relations. Our first serious quarrel with the United States took place in 1812. To this quarrel Canada was in no way a party, although she was the greatest sufferer. The irritation arising out of this war affected our relations with the adjoining republic for many years. We did not forget, and we could not forget in a day, the wanton invasion of our soil by American armies, and the destruction of our cities and towns by the gunboats and the torches of the invaders.

Again, in 1866, we were called upon to repel the Fenian hordes which crossed the border to plunder and destroy our country without any provocation on our part. That invasion, no doubt, caused much irritation, and very properly so, but from no fault of ours. We took no part in fomenting the rebellion in the Southern States; we were not friendly to the slave-holder or his traffic in human flesh. On the contrary, we afforded the slave an asylum from his persecutors, and 33,000 of our sons enlisted in the army of the north to maintain the unity and perpetuity of the republic. We have not forgotten this wanton invasion of our soil; for the irritation which it produced the blame is not with us; the blame is with the United States and the authorities who winked at the well-known intention of the invaders. Nor will I mention the belligerent message of President Cleveland with respect to Venezuela boundaries—a message which threatened the peace of two continents, and which invoked as a justification, I think without any foundation whatever, the Monroe doctrine of American supremacy with regard to existing political organizations in America.

COMMERCIAL ATTACKS UPON CANADA.

In recent years the attack upon Canada was not of a military but of a commercial character, and was all the more insidious because disguised under the form of tariffs and duties alleged to be necessary for the maintenance of the revenues of the republic. The repeal of the reciprocity treaty of 1854, immediately after the close of the American war, was evidently an attack upon the commerce of this country, and, all apologies to the contrary notwithstanding, the same remark will hold true of the majority of the tariff bills that have been submitted to Congress since that date. The remarks made during the discussions, notably on the McKinley bill, clearly indicated that the intention of American statesmen in taxing our barley, our coal and our lumber, as well as other products of the country, was to cripple the trade of Canada as much as possible. (Hear, hear.) Still more significant are the alien labor laws and the invidious provisions of the Dingley bill with respect to the products of our Canadian forests. Is it not evident, therefore, to the most superficial observer that no concession on the part of Great Britain to the United States—not even the payment of claims under the Geneva award, well-known to be greatly in

excess of the damages inflicted—has had the desired effect of developing a spirit of international friendship such as we should naturally expect ought to exist between two countries of the same blood and speaking the same language? The conclusion is thus irresistibly forced upon us that, so far as Canada is concerned, it is utterly useless to entertain the idea of a reciprocity treaty with the United States for the purpose of removing either present or future irritation. (Loud and continued applause.) Our experience, in many cases bitter and humiliating, is against any expectation of that kind. I am, therefore, reluctantly I must admit, obliged to eliminate from the consideration of this question all speculation with regard to its effect upon international relations.

COMMERCIAL ASPECTS OF RECIPROCITY.

But, it will be said, even if reciprocity with the United States does not promote more friendly relations with the American Republic it may nevertheless be a source of profit commercially to the people of Canada. In proof of this proposition the treaty effected by Lord Elgin in 1854 is constantly cited. It is not for me to dispute the opinion of commercial authorities respecting the treaty of 1854. I would merely, in passing, point out that during the last five years of that treaty the conditions of trade in the United States were exceptional. The republic was involved in a civil war, the most gigantic of modern times. Over 1,000,000 men were withdrawn from the productive industries of the country. They had to be fed and clothed at all hazards, and for several years Canada was liberally drawn upon for the supplies required by the American army as well as to make up the diminution in other departments of trade and commerce caused by the withdrawal of so many men from their usual avocations. Had the treaty of 1854 been continued for some years longer it is doubtful whether the advantages to Canada, great as they no doubt were, would not have abated substantially by the resuscitation of industries which the civil war had destroyed. (Cheers).

But it will be said again, even admitting your argument with regard to the treaty of 1854, there is still room for the interchange of products which would be of mutual advantage to the two countries. Using the word advantage in a strictly commercial sense, that statement is possibly true: For instance, I think reciprocity in coal and lumber, and perhaps in a few other articles, would be a benefit to both Canada and the United States. It would be folly to say that nations as well as individuals could not profitably exchange products. Laws of exchange all the world over are against any such assumption; but valuable as the exchange of commodities may be to the development of a country when such exchange becomes a subject of treaty, questions of an international character arise which must not be lost sight of. (Cheers.) Trade then becomes a political as well as a commercial question, and it is to its political aspect that I wish to call your attention.

DANGERS OF RECIPROCITY.

(1) A reciprocity treaty may be used as an admission that the weaker nation making such a treaty is dependent upon the stronger nation for a market, or such a treaty may foster a feeling of dependence in the weaker nation upon the markets of the stronger nation. In either case, any such feeling would be prejudicial to Canada. Though weaker numerically than the United States, we must resist resolutely everything that would propagate a feeling of dependence upon her either for our commerce or our national existence. Such a feeling would utterly mar the true spirit of Canadian nationality. (Loud applause).

(2) The repeal of a reciprocity treaty by which new channels of trade were opened up might be held by a stronger nation in terrorem over the weaker, as destructive to the trade so established and as a means of wresting concessions inimical to the prosperity of the weaker nation. Nay, more, the consequence of such repeal might be made suggestive of political union as the only way of averting the commercial disasters which such repeal involved.

(3) Having invested, as I have already pointed out, nearly \$1,000,000,000 of money for the transportation of our goods to the seaboard, would we not be doing an injustice to the Canadian and British capital so invested if we diverted the transportation of our goods to American railways and canals? A similar observation would apply to the labor employed in transportation. A nation that cannot give employment to its own people very soon becomes depopulated. (Hear, hear).

(4) At best any market based upon a treaty is a temporary one. On what commercial principle can we justify any effort to set up a temporary market where a permanent one is within reach, and for which we have already agreed to pay large subsidies and have undertaken permanent charges for the purpose of reaching it? For all time to come Great Britain will be dependent on the outside world for her food products. The United States can more than supply her own people. Everything points to the market of Great Britain as the only permanent market for the people of Canada. (Loud applause).

(5) Trade follows the flag, and British subjects follow British trade. For the further settlement of this country as well as for strengthening our relations with the empire, our obvious policy is to develop trade with Great Britain. (Cheers).

THERE SHOULD BE NO HASTE.

For these reasons there should be no haste in the efforts to negotiate a reciprocity treaty with the United States. (Loud and continued applause). We owe it to ourselves that we should not approach the Americans in any spirit of dependence or subserviency. (Loud applause). It should be distinctly understood that we ask no favors in the American market for which we are unable to give an ample equivalent in the Canadian market, and no condition involving the sacrifice of any vested right or any consideration whatsoever as to the use of our waterways, our railroads or our fisheries should be put in the scale as a counterpoise to equalize any privilege afforded us in the markets of the United States. (Loud Applause.) A commercial treaty that cannot be made on a commercial basis pure and simple should not be made at all. (Applause). On this point there should be neither parleying nor pandering. If we cannot pay in kind for what we get we must not take the risk of supplementing the transaction by any other consideration. (Loud applause).

Canada desires to live on friendly terms with the United States for its own sake as well as for the sake of the empire. We cannot forget, we will not forget, that we owe it to the empire no less than to ourselves to cultivate the arts of peace with the United States, as well as with every other nation with which we trade. When we increase our own commercial power, we are at the same time increasing the commercial power of the empire. (Cheers).

In conclusion, I desire to say that while it is the object of the British Empire League to promote the unity of the empire, if I understand its princi-

ples aright, it is equally solicitous in promoting the peace of the empire. In fact no better guarantee can be given for the peace of the world than the strengthening of the moral and commercial power of Great Britain and her colonies. Her army and her navy may suggest the terrible consequences to the nation which provokes her to a contest either by land or by sea, and powerful as that army and navy may be, her enemies might have the temerity to believe it could be successfully overcome, were it not for the reflection that her subjects in every zone constitute a grand reserve, if need be, for any national emergency.

“ For the sire lives in his sons,
And they pay their father's debt—
And the lion has left a whelp
Wherever his claw was set.”

—(Loud and continued applause).

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